



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 8, 2008

Mr. Brown, Vice-President  
US Magnesium LLC  
238 North 2200 West  
Salt Lake City, UT 84116

Re: Escalation of Reclamation Surety to the Year 2012, U.S. Magnesium LLC, Stansbury Basin/Rowley Project, M0450008, Tooele County, Utah

Dear Mr. Brown:

The Division has escalated the surety amount of \$349,866.00 in 2007 dollars, to the year 2012. The escalation rate is 3.8%, resulting in a surety requirement of \$421,588.00. This increased amount is based on escalation only.

Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit the increase of \$71,722.00. ***In addition, a new reclamation contract will be required.***

***This surety amount and new reclamation contract is due by July 8, 2008.***

In addition, the Division would like to meet with you and determine if the existing Notice of Intention to Conduct Mining Operations (NOI) is adequate and reflects the current operation conditions at the Rowley/Stansbury site. Please contact Ms. Beth Ericksen (801) 538-5318 or Ms. Leslie Heppler (801) 538-5257 to arrange the meeting by July 30, 2008.

If you have any questions concerning this letter, please contact either of the above named staff.

Sincerely,

Susan M. White  
Mining Coordinator  
Minerals Regulatory Program

SMW:BE:pb  
Cc: Jed Pearson  
Beth Ericksen  
Leslie Heppler  
P:\GROUPS\MINERALS\WP\M045-Tooele\M0450008-rowley-stansbury\Final\5yrrevwescalationonlyb.doc

